

**OFFICIAL PROCEEDINGS OF THE BOARD OF
TRUSTEES
CITY OF LANSING
EMPLOYEES' RETIREMENT SYSTEM**

Regular Meeting
City Council Conference Room
10th Floor, City Hall
Lansing, MI

February 23, 2017
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:37a.m.

Present: Dedic, Good, Houghton, Kraus, D. Parker, M. Parker, Riley. –7

Absent: Trustee Bernero, Munroe

Others: Karen E. Williams, Angela Bennett, Finance Department; Attorney Kenneth Lane, Clark Hill (representing the City Attorney's Office).

It was moved by Trustee Dedic and supported by Trustee Good to approve the Official Minutes of the Employees' Retirement System Board Meeting of January 19, 2017.

Adopted by the following vote: 7 - 0

6 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 354. Total deferred: 71. 5 death(s) Barbara Holliday, (retired 1/20/1995 – Police (FOP 911)), died 1/26/2017, age 74, no beneficiary; Ronald Herring, (retired 1/4/1993 – Finance (T580 CTP)), died 1/31/2017, age 86, no beneficiary; George Swanson (retired 8/25/1988 – Public Service (NonBargaining), died 1/26/2017, age 87, beneficiary to receive 100%; Emil Winnicker, (retired 11/22/2003 – Planning (Exempt)), died 1/15/2017, age 67, beneficiary to receive 50%; Arnold Yerxa, (retired 6/15/2013 – City Council Staff), died 1/27/2017, age 67 beneficiary to receive 50%. Refunds made since the last regular meeting amounted to \$0. Retirement allowances paid for the month of January 2017, amounted to \$1,912,731.55. Total retirement checks printed for the ERS System: 908. Total Retirement checks printed for both systems: 1640. Eligible domestic relations orders received:0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

Trustee Houghton requested an explanation of Eligible Domestic Relations Orders.

Karen Williams explained that EDROs separate pension benefits from divorce proceedings

There were no requests for Regular Age and Service retirements.

Karen Williams reported that the Medical Director is reviewing the additional documents submitted by Applicant #2017-E0119 regarding the requests for duty disability and non-duty disability retirement. A report should be completed by the next meeting.

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It was moved by Trustee Kraus and supported by Trustee Dedic to approve the following request:

Lana Hadzajlic-Liskiewicz, Police Department (Civilian), Not Vested, \$4,963.96

Janene McIntyre, Law/Human Resources, vested, \$41,725.93

Adopted by the following vote: 7 – 0

Karen Williams reported that the Retirement Office received notification from Trustee Munroe that she would not be able to come to the meeting due to a work obligation. She requested to be excused.

It was moved by Trustee Good and supported by Trustee Kraus to excuse Trustee Munroe from the February meeting.

Adopted by the following vote: 7 – 0.

Karen Williams reported that there was a MAPERS One Day Conference scheduled for March. She requested that members who wished to attend the Conference to contact the Retirement Office.

There are no public comments.

Attorney Ken Lane updated the Board that the Retirement Ordinance is under review in the City Attorney's Office.

Attorney Ken Lane distributed a memo regarding an employee who requested to purchase service credits after he was retired. Mr. Schaefer's retirement had been approved by the Board prior to his request. Attorney Lane opined that the request and paperwork to purchase service credits must be done prior to retirement, when the employee is still a member of the system. Attorney Lane contacted Mr. Schaefer and shared the information from the memo. Attorney Lane requested Board direction regarding a policy to outline purchase of service credits.

Trustee Mark Parker indicated that the Retirement Ordinance language could be misinterpreted and requested that a policy be created.

Attorney Lane distributed an amended vendor review policy that expands who is covered by the policy.

It was moved by Trustee Kraus and supported by Trustee Good to approve the Employees Retirement System Board of Trustees Vendor Review Policy.

Adopted by the following vote: 7 - 0

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Attorney Ken Lane indicated that the Information Technology manager was invited to the March meeting to discuss the SAS 70 report, review security issues and answer questions.

Attorney Lane discussed Public Act 530 which amends Public Act 314 that requires pension and retirement health systems to provide an annual report to the State Treasurer's Office as of March 29, 2017. There were no official guidelines posted for submitting reports yet.

Attorney Lane discussed that NCPERS recommended that each Retirement Board adopt an ethic policy for its investment managers to sign. Attorney Lane will bring the proposed policy to the next month meeting to review.

Ms. Angela Bennett recommended matching the inflation rate with the Board's rate of the return of 7.4%. The new inflation rate would be 2.925%.

It was moved by Trustee Mark Parker and supported by Trustee Dedic to lower the inflation rate to 2.925% to match the Board's rate of return at 7.4%

Adopted by the following vote: 7 – 0.

The following subcommittee assignments were approved for 2017:

Disability:	D. Parker, Good, Riley
Investment:	D. Parker, Good, Houghton, Kraus, M. Parker
Education:	M. Parker, Munroe, Dedic
Special Projects:	Houghton, Kraus, M. Parker

Attorney Lane reported that the City Attorney's Office was working on a report regarding their review of contract employees who have retired from the City of Lansing for Employees' Retirement System Board. The Board had requested the contracts be reviewed to ensure that they are in compliance with the IRS requirements for retirees.

Trustee Kraus requested that the ERS Board see the report and inquired if there was a review procedure in place for retirees who return as contract employees.

Trustee Riley indicated that the City Attorney's Office will now review any retiree contract with the City of Lansing.

Trustee Kraus inquired about what would be done if a retiree contract is found to be out of compliance.

Trustee Riley indicated that Human Resources would discuss the contract with the City's Attorney Office regarding available options.

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Trustee Dennis Parker inquired if the Employees Retirement System had done everything available to comply with the IRS requirements.

Attorney Lane explained that the ERS Board was proactive with its inquiry regarding contract employees who are retirees. The Retirement Board notified the City who has been reviewing the issues brought by Trustees to ensure compliance.

Karen Williams reported that GRS sent a proposed fee of \$3,300 to update the minute master service.

Trustee M. Parker inquired if the City administration was putting a system in place for electronic archived minutes. Trustee Parker recommended that the ERS System coordinate with the Police and Fire Retirement System to determine regarding continuing with the Minute Master product.

Karen Williams reported that the Retirement Office was requested to research electronic tablets for Trustee use. The tablet would have minutes, reports, and retirement data downloaded to it, due to the large volume of paper and reports needed by the Employees' Retirement Board.

Trustee Kraus requested that the Retirement Office contact the Chief Information Officer to determine if a secured site or portal could be established on the City website for trustees to access retirement data.

Ms. Williams distributed a report that provided the dates of the Employees' Retirement System Board vendors' last review by the Board.

Attorney Lane stated the Employees' Retirement System policy states that the vendors should be reviewed every five years, but does not require that a request for proposals.

Angela Bennett reported that she had received an email regarding Tegrity in the Police and Fire meeting regarding lay-offs. She and the Retirement Office did a web search and had not heard anything regarding problems. Ms. Bennett indicated that Police and Fire Retirement Board had plans for a due diligence meeting and a future onsite visit. The Retirement Board requested a joint meeting with the Police and Fire Retirement Board that the CEO and Pension Administration director could attend to discuss changes within the company.

Karen Williams reviewed the Quarterly Expenses Report for the 4th quarter of 2016 and the Securities Lending Report for the month of January.

It was moved by Trustee Mark Parker and supported by Trustee Good to adjourn the meeting.

Adopted by the following vote: 7 – 0.

The meeting adjourned at 9:29 a.m.

Minutes approved on _____

*Angela Bennett, Secretary
Employees' Retirement System*

*Dennis R. Parker, Vice Chairperson
Employees' Retirement System*